



# Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:**  
**July – September 2011 (Q3)**  
**YTD September 30, 2011 (YTD)**

**ARUN SAWHNEY**  
**CEO & MD**

# Safe Harbor

**RANBAXY**

2

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Ranbaxy does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

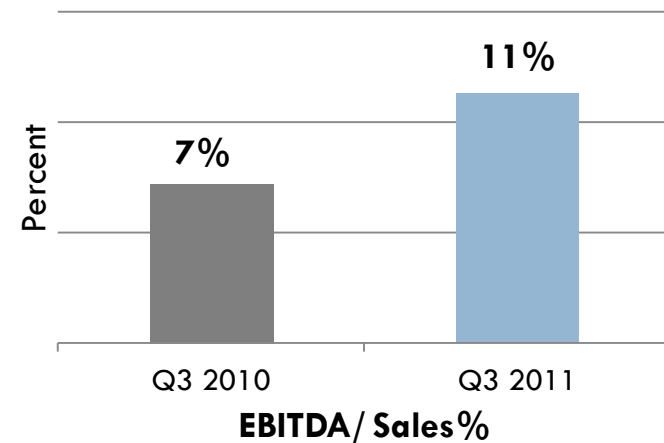
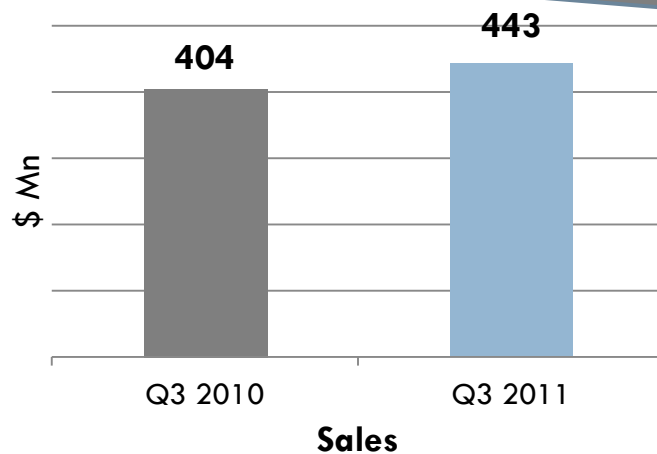
# Key Achievements for Quarter 3, 2011

**RANBAXY**

3

## Financial

- Strong overall business performance
  - Q3 2011 and corresponding quarter have nil FTF impact
- Healthy improvement in EBITDA margins on base business



# Key Achievements for Quarter 3, 2011

**RANBAXY**

4

## Business

- Emerging market sales \$262 Mn
  - Growth 11%; 64% of DF sales
- Developed market sales \$145 Mn
  - 36% of DF sales

- India: Strong CHC performance; Industry-wide slow down impacts Acute growth

- Africa: Region growth resilient; while South Africa tender sales impacted by donation stocks

- Europe: Branded Generics markets, (including Romania and SCE) and France performed well

- USA: Base business continued to be strong

## Manufacturing

- Remain positive about Ranbaxy 's preparedness for audit by regulators
- Trace & Track for export packaging, Government regulation: compliant with tertiary packing requirements, initiated work on the challenging part of secondary packing

## Research & Development

- Further improvement in filings and approvals
  - DF filings: 55; DF approvals: 32
- Anti-malarial drug by end-2011

## Synergy with Daiichi Sankyo

- Front end:
  - Ranbaxy to extend DS product reach to pharmacists in Italy
  - Expand business in Mexico
- Back end etc.:
  - Multiple opportunities pursued in manufacturing, cost reduction etc.
- Ongoing:
  - DS and Ranbaxy work on joint social contribution initiatives in India and some African countries
  - Successful launch of innovator products, R&D collaboration, cost efficiencies

## Regulatory

- Continue to co-operate and negotiate with the USFDA/ DOJ for a comprehensive resolution
- Over 10 country regulatory approvals received

## Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to ~\$703 Mn in Q3 2011
- Expire by 2015-16

## Debt Position

- Total Debt ~\$630 Mn; Net Debt \$265 Mn



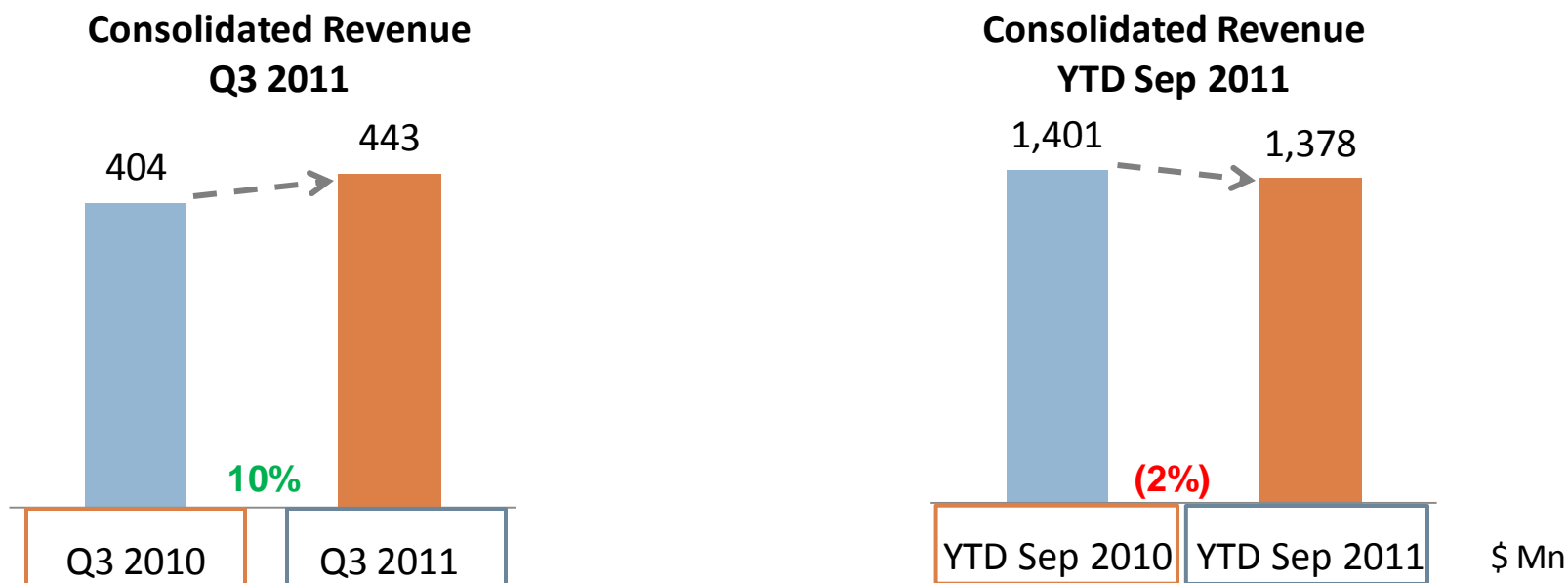
## Financial Performance



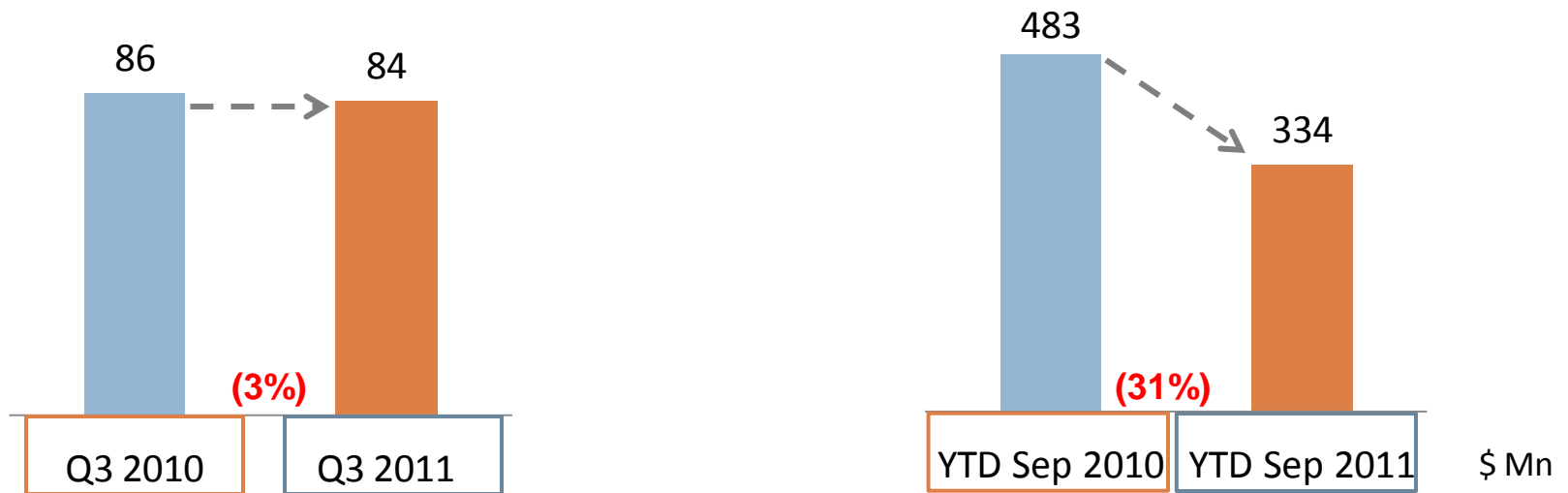
# Sales Performance

**RANBAXY**

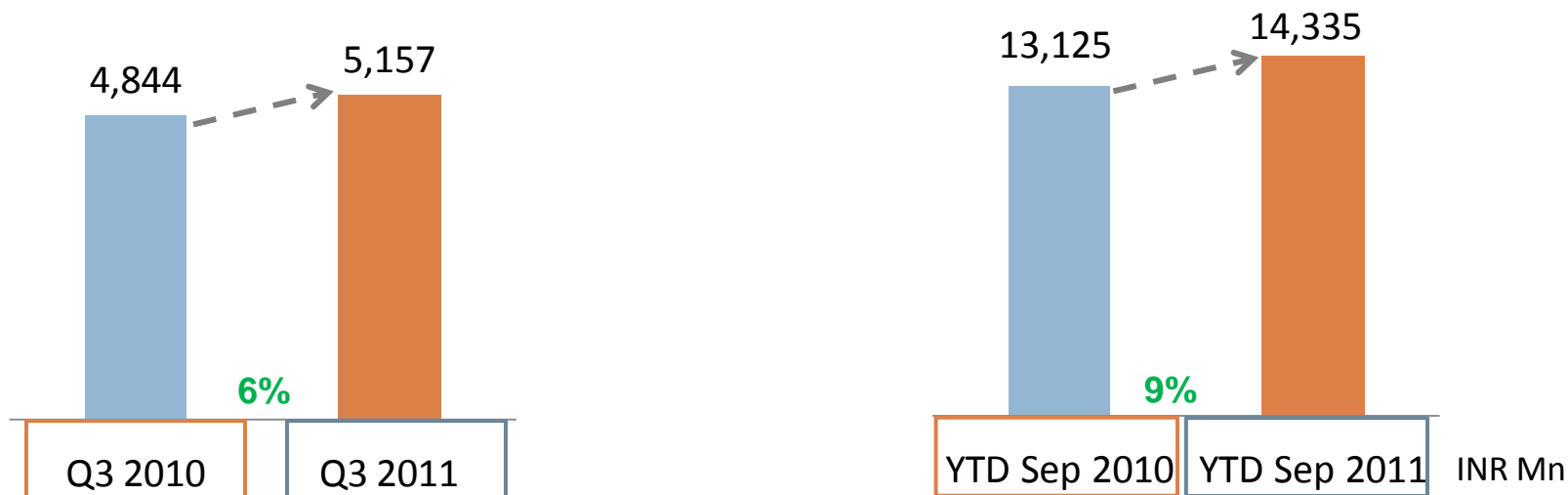
9



- Base business growth momentum continues with >10% growth on Quarter and YTD basis
- All growth in Q3 2011 attributable to base business; no exclusivities. YTD 2011 lower than YTD 2010 due to varying levels of FTF contributions to the business



- Healthy base business sales in the USA
- Q3 2010 sales higher due to higher post exclusivity contribution of FTF owing to limited price erosion
- YTD Sep 2010 sales higher than YTD Sep 2011 due to relative FTF contributions

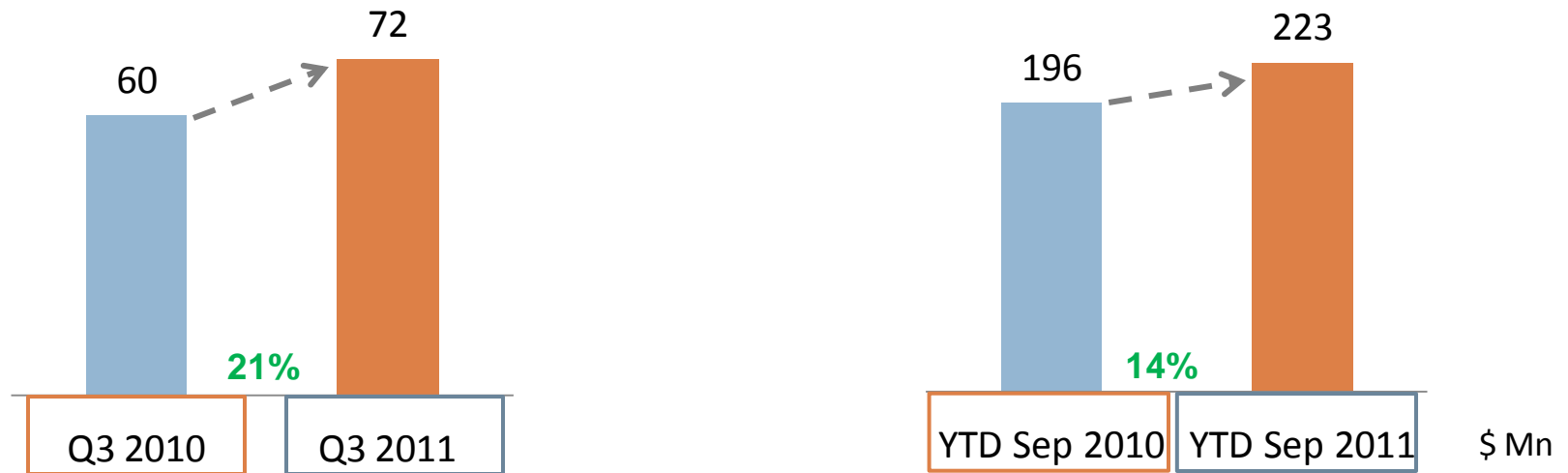


- India market continued despite industry-wide slow down in Anti-infectives
- Strong CHC performance; launch of 'Volini Duo', India's first approved two in one pain killer

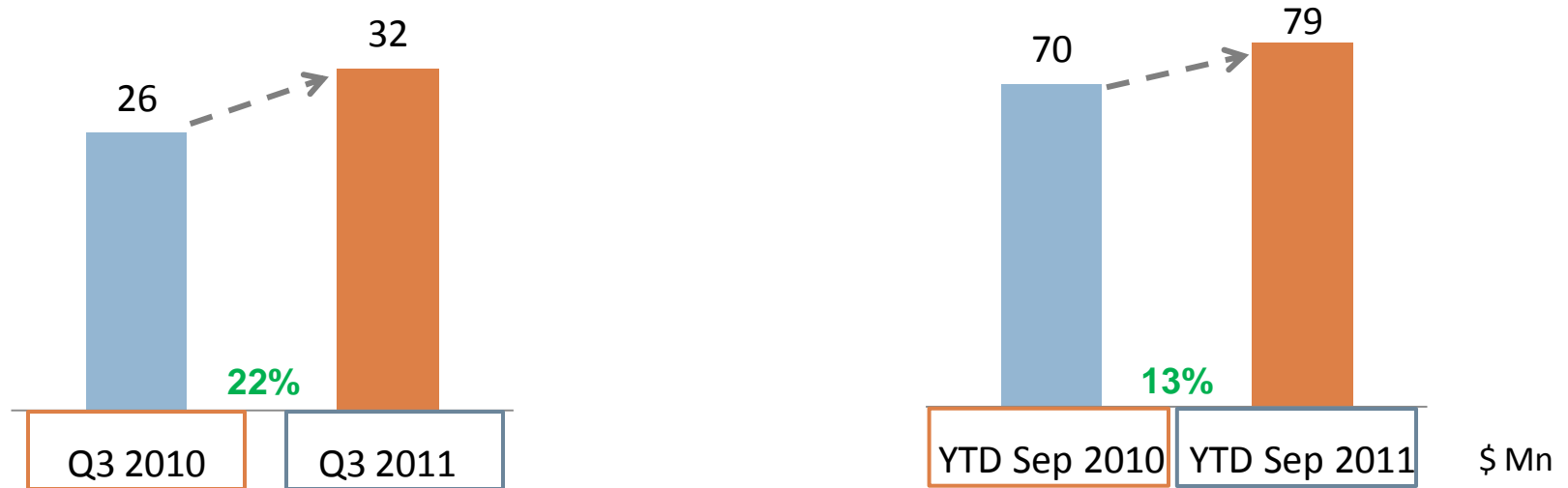
# Europe

**RANBAXY**

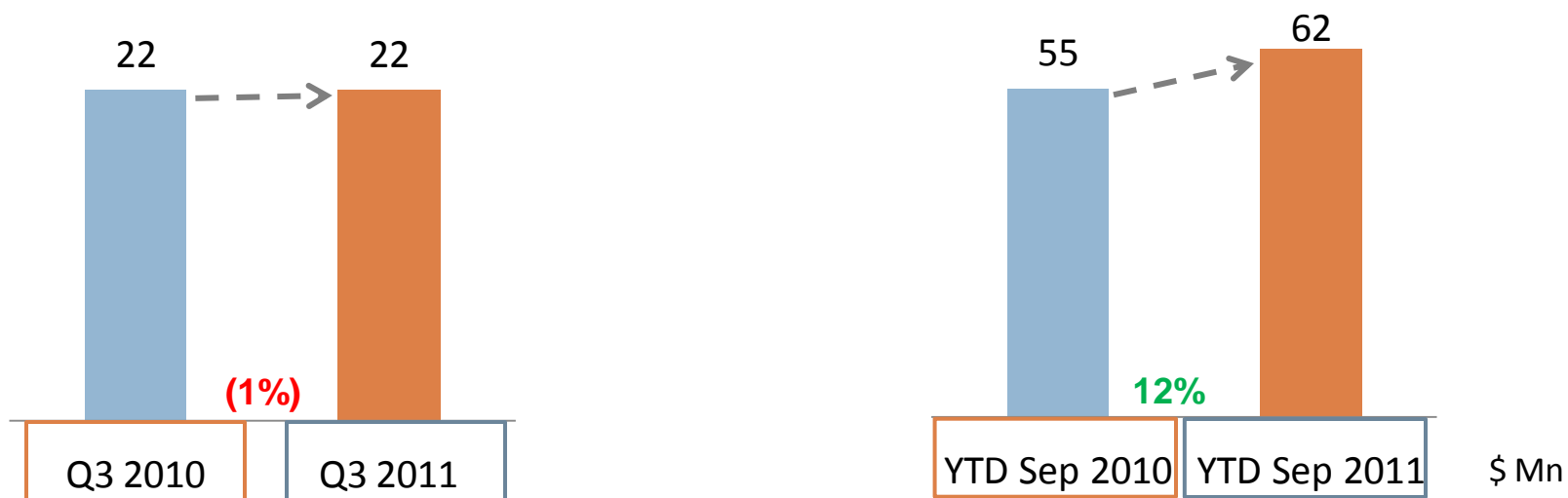
12



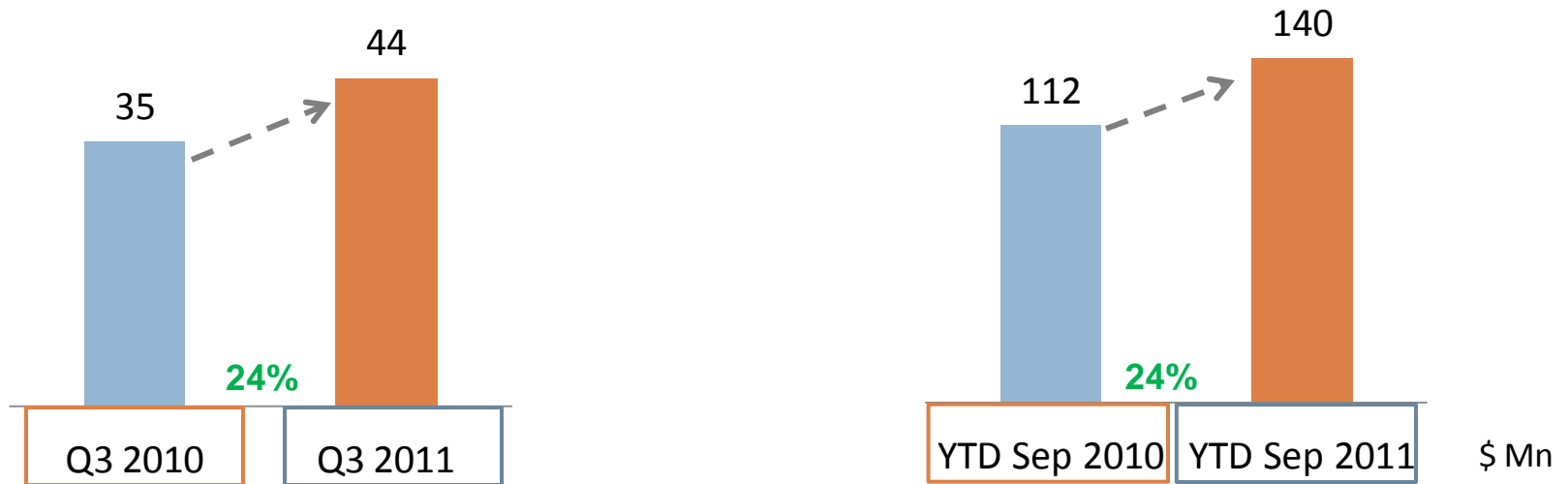
- Sales growth in major branded generics markets including Romania; Day 1 launches helped the business
- France business continued to improve; Ranbaxy and DS will work together in Italy
- Concerns on Macro-economic indicators continue



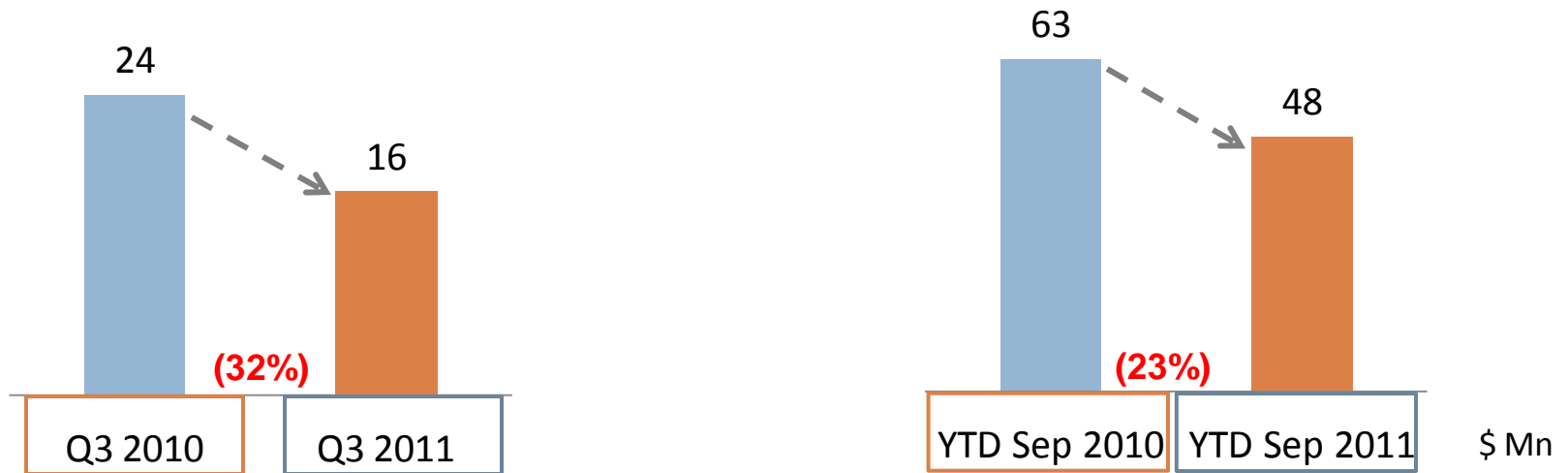
- Ranbaxy continued to be ranked number 1 in its represented market in Russia and Ukraine
- Macro-issues yet to evolve in the CIS



- APAC market led by growth in Malaysia and ANZ



- Strong sales growth in the region
  - Tender sales in South Africa impacted adversely due to donation stocks from the United Nations



- LATAM sales lower due to some product supply concerns in the region
- DS and Ranbaxy exploring synergy opportunities for working together in the market



# Financials Q3 2011: \$

**RANBAXY**

Q3'10	Q3'11	Particulars in \$ Mn	YTD Sept'10	YTD Sept'11
<b>404</b>	<b>443</b>	<b>Sales</b>	<b>1,401</b>	<b>1,378</b>
1	1	Less: Excise duty	2	3
<b>404</b>	<b>442</b>	<b>Net sales</b>	<b>1,398</b>	<b>1,375</b>
11	16	Other operating income	83	33
<b>414</b>	<b>458</b>	<b>Total Operating Income</b>	<b>1,481</b>	<b>1,408</b>
<b>166</b>	<b>185</b>	<b>Total Consumption</b>	<b>495</b>	<b>533</b>
3	(13)	<b>Operating Forex expense/ (gain)</b>	12	(26)
79	89	Employee cost	243	275
137	146	Other Operating expenses	383	432
<b>385</b>	<b>407</b>	<b>Total other expenditure</b>	<b>1,132</b>	<b>1,214</b>
<b>29</b>	<b>51</b>	<b>EBITDA</b>	<b>349</b>	<b>193</b>
21	17	Depreciation and amortization	58	50
18	6	Interest (Cost)/Income & Other Income	34	24
(24)	55	Foreign exchange (gain)/ loss on loans	(27)	65
<b>49</b>	<b>(16)</b>	<b>Profit/(loss) from ordinary activities before tax</b>	<b>351</b>	<b>103</b>
		<b>Exceptional Items</b>		
-6	8	Exceptional Items (Profit on sale of investments)	39	8
33	(89)	Forex (loss)/ gain on foreign currency option derivatives	66	(63)
<b>76</b>	<b>(96)</b>	<b>Net EBT</b>	<b>456</b>	<b>48</b>
<b>67</b>	<b>(102)</b>	<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>349</b>	<b>21</b>
<b>17%</b>	<b>(23%)</b>	<b>PAT%</b>	<b>25%</b>	<b>2%</b>
<b>66</b>	<b>(103)</b>	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	<b>346</b>	<b>18</b>
<b>16%</b>	<b>(23%)</b>	<b>PAT% (after minority interest &amp; Share in (loss)/ profit of associates)</b>	<b>25%</b>	<b>1%</b>

# Operational Performance (excluding Forex and Excep items)

**RANBAXY**

18

Q3'10	Q3'11	Particulars in \$ Mn	YTD Sept'10	YTD Sept'11
<b>404</b>	<b>443</b>	<b>Sales</b>	<b>1401</b>	<b>1378</b>
<b>29</b>	<b>51</b>	<b>EBITDA</b>	<b>349</b>	<b>193</b>
7%	11%	<i>% to Sales</i>	25%	14%
<b>76</b>	<b>(96)</b>	<b>EBT</b>	<b>456</b>	<b>48</b>
19%	-22%	<i>% to Sales</i>	33%	3%
<b>29</b>	<b>51</b>	<b>EBITDA</b>	<b>349</b>	<b>193</b>
(3)	13	<b>Forex Gain/(Loss)</b>	(12)	26
<b>32</b>	<b>38</b>	<b>Operational EBITDA</b>	<b>360</b>	<b>168</b>
8%	9%	<i>% to Sales</i>	26%	12%
<b>76</b>	<b>(96)</b>	<b>EBT</b>	<b>456</b>	<b>48</b>
24	(55)	<b>Forex Gain/(Loss) on FC Borrowings</b>	27	(65)
33	(89)	<b>Other Forex Gain/(Loss) (incl. Derivatives)</b>	66	(63)
7	8	<b>Exceptional Item</b>	52	8
(3)	13	<b>Operational Fx</b>	(12)	26
(13)	-	<b>- Provision for diminution in the value of investment in associates</b>	(13)	-
<b>29</b>	<b>27</b>	<b>Operational EBT</b>	<b>336</b>	<b>142</b>
7%	6%	<i>% to Sales</i>	24%	10%

# Financials Q3 2011: INR

**RANBAXY**

19

Q3'10	Q3'11	Particulars in Rs. Mn	YTD Sept'10	YTD Sept'11
<b>18,809</b>	<b>20,280</b>	<b>Sales</b>	<b>64,600</b>	<b>62,336</b>
34	52	Less : Excise duty	110	138
<b>18,775</b>	<b>20,228</b>	<b>Net sales</b>	<b>64,490</b>	<b>62,198</b>
509	728	Other operating income	3,831	1,493
<b>19,284</b>	<b>20,955</b>	<b>Total Operating Income</b>	<b>68,320</b>	<b>63,691</b>
<b>7,718</b>	<b>8,446</b>	<b>Total Consumption</b>	<b>22,820</b>	<b>24,136</b>
143	(591)	<b>Operating Forex expense/ (gain)</b>	534	(1,162)
3,661	4,080	Employee cost	11,225	12,439
6,375	6,688	Other Operating expenses	17,655	19,527
<b>17,897</b>	<b>18,623</b>	<b>Total other expenditure</b>	<b>52,233</b>	<b>54,940</b>
<b>1,386</b>	<b>2,332</b>	<b>EBITDA</b>	<b>16,087</b>	<b>8,751</b>
987	788	Depreciation and amortization	2,687	2,259
822	276	Interest (Cost)/Income & Other Income	1,556	1,082
(1,097)	2510	Foreign exchange (gain)/ loss on loans	(1,237)	2,920
<b>2,319</b>	<b>(690)</b>	<b>Profit/(loss) from ordinary activities before tax</b>	<b>16,192</b>	<b>4,655</b>
		<b>Exceptional Items</b>		
(251)	378	Exceptional Items (Profit on sale of investments)	1,813	378
1,508	(4002)	Forex (loss)/ gain on foreign currency option derivatives	3,043	(2,864)
<b>3,576</b>	<b>-4313</b>	<b>Net EBT</b>	<b>21,049</b>	<b>2,169</b>
<b>3,128</b>	<b>(4569)</b>	<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>16,079</b>	<b>946</b>
17%	(23%)	PAT%	25%	2%
<b>3,079</b>	<b>(4,646)</b>	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	<b>15,942</b>	<b>830</b>
16%	(23%)	PAT% (after minority interest & Share in (loss)/ profit of associates)	25%	1%



---

## Questions & Answers

---